

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY, CALIFORNIA
AND RECORD OF ACTION**

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November 30, 2004

FROM: ELIZABETH SANCHEZ, Director
Human Resources Department

SUBJECT: CONTRACT WITH FRASCO INVESTIGATIVE SERVICES

RECOMMENDATION: Approve Contract No. _____ with Frasco Investigative Services to provide investigative services for Risk Management's Claims Administration Program from December 1, 2004 through July 27, 2007.

BACKGROUND INFORMATION: The County has self-insured and self-administered its public liability and workers' compensation programs since 1978. Specialized investigative services are necessary to investigate liability and workers' compensation claims that cannot be handled by existing staff. Contracting with specific providers allows the County to control expenses by using standard, low cost, fixed rate schedules.

Pursuant to County Policy 11-05 on March 9, 2004 the Board approved the release of a Request for Proposals (RFP) to solicit proposals from 125 contractors. Forty contractors submitted proposals, which were evaluated by a committee of representatives from Purchasing, County Counsel, and Risk Management. The evaluation committee reviewed and rated each contractor and Risk Management recommended contracting with the top 16 contractors. The County fee schedule, as on file with the Clerk of the Board, used in the last three-year contract was accepted by all 16 contractors. The only increase was the mileage rate, which was increased to \$0.365 per mile. The Board approved the new contracts on July 27, 2004.

On November 23, 2004, the Board authorized Risk Management to perform quarterly reviews of service needs to ensure continuity of litigation and investigative services. Utilizing written policies, Risk Management solicited proposals and Frasco was selected to be added to the pool of 16 investigators at the current fee schedule. To meet Risk Management's ongoing service needs, staff recommends approval of this contract. As with all other contracts, Risk Management staff will directly contact the investigative services contractors for work assignments. Work will be authorized for completion based upon expertise, availability, and location. This contract will run concurrently through July 27, 2007 with the other contracts approved by the Board on July 27, 2004. This agreement may be cancelled for any reason with thirty days notice.

REVIEW AND APPROVAL BY OTHERS: This item has been reviewed by County Counsel (Michael Sachs, Chief Deputy County Counsel, 387-5281) on November 19, 2004; Purchasing (Aurelio De La Torre, 387-2004) on November 19, 2004; and the County Administrative Office (Daniel R. Kopp, Administrative Analyst, 387-3828) on November 22, 2004.

FINANCIAL IMPACT: The annual cost for all 17 contractors is not expected to exceed \$425,000. Costs for services will be at the contracted fee schedule. Fees will continue to be paid from the appropriate Risk Management sub funds. Appropriation adjustments are not required as these costs are included in the 2004-05 Risk Management budget.

COST REDUCTION REVIEW: The County Administrative Office has reviewed this item, concurs with the department's proposal and recommends this action. Approving the contracts will enable the County to continue to manage its claims administration responsibilities in a fiscally prudent manner.

SUPERVISORIAL DISTRICTS: All

PRESENTER: Pamela Thompson, Risk Manager, 386-8620

Record of Action of the Board of Supervisors

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